

developing world, people afflicted with HIV/AIDS face many other health and economic challenges. We need to better coordinate all of our health programs to promote efficiencies and expand the number of people we reach. Nutrition is the best example of how we could positively affect people's lives by improving our coordination. The bill promotes local health capacity—an enormous challenge in Africa in combating this disease. Further, the bill pushes the U.S. Government to plan for the long-term. We need to move from responding to an emergency toward building sustainability—so our local partners that have the resources can take over this effort, with our technical assistance.

Perhaps most important, this legislation attempts to put major emphasis on prevention. Simply put, we cannot win the fight against HIV/AIDS unless we expand and improve efforts to prevent its spread. Such efforts must include the so-called “ABC” approach—abstinence, being faithful, and proper use of condoms. But they must involve much more; in some places successful prevention will require major societal and cultural change that must be initiated and led by local governments and leaders.

Last week, the House Committee on Foreign Affairs approved a reauthorization bill on a bipartisan basis. The legislation was sponsored by the acting chairman, Mr. BERMAN, and the ranking member, Ms. ROS-LEHTINEN. It is endorsed by the President, who, having just returned from visiting Africa, personally urged several of us to act quickly on the reauthorization bill. The bill that we introduce today mirrors the compromise in the House in several major respects, which will facilitate a prompt conference with the other body.

In partnership with Senator LUGAR, who chaired our committee when the original legislation was approved in 2003, I have scheduled a markup in the Committee on Foreign Relations next week. I am hopeful of strong support to report the bill, and that the full Senate will act on the bill soon after the Easter recess.

By Mr. BOND (for himself, Mr. ISAKSON, Mr. ALEXANDER, Mrs. DOLE, Mr. MCCONNELL, Mr. ALLARD, Mr. CHAMBLISS, Mr. CORNYN, Mr. CRAIG, Mr. HATCH, Mr. INHOFE, Mr. STEVENS, Ms. MURKOWSKI, and Mr. COLEMAN):

S. 2734. A bill to aid families and neighborhoods facing home foreclosure and address the subprime mortgage crisis; read the first time.

Mr. BOND. Mr. President, as I described last Friday, too many families in Missouri and across the Nation are feeling the pain of this Housing crisis, and they need our help now. We have 57,000 people in Missouri delinquent on their mortgages, with 20 percent of Missouri subprime borrowers behind on their payments. These families, unfortunately,

similar to many across America in I imagine almost every State, can least afford higher housing costs as they are being hit with higher heating bills, higher health care costs, and more pain at the gas pump.

That is why today I, in partnership with Senator ISAKSON, Senator COLEMAN, and several other Republican colleagues, will proudly introduce the Security Against Foreclosure and Education, or SAFE, Act of 2008. This bill focuses solely on the housing needs of our families and neighborhoods.

A growing economy free of excess litigation and cumbersome regulation will help the most people find the most good-paying jobs and the relief they need. The HOME Act we introduced last week on our side included both housing relief provisions as well as tax relief for American families, litigation reform, and capital markets reform.

However, we do not want Congress to lose sight of the housing crisis that too many American people are facing and the help they need right now. Therefore, we are introducing this measure today to focus solely on the housing help our families and neighborhoods need.

Last week, I spoke about one person in need, suffering in the current subprime mortgage meltdown. That was Willie Clay of Kansas City, MO, a Vietnam vet unable to meet rising variable mortgage payments. Unfortunately, there are many more like him.

Today I share with my colleagues the story of Katherine Gwinn of St. Louis, MO. Her story appeared in the St. Louis Dispatch last year. She is a disabled 53 year old living on Social Security and disability payments. Mrs. Gwinn refinanced her home three times to get lower payments and help pay off debt. Her subprime loan's initial fixed rate expired after 1 year. Since then, her payments have gone up 40 percent, now taking a large chunk of her \$916 monthly income.

Ms. Gwinn said the last time she refinanced, her mortgage broker fast-talked her into a subprime loan with provisions she did not understand. The result is her variable rate payments are now at \$566 per month. As I said earlier, Ms. Gwinn's monthly income of Social Security and disability payments is only \$916 per month. How many of us could pay for food, gas, medicine, and heating bills on the remaining \$350 per month? That is why I believe so strongly that we need to help folks such as Katherine Gwinn across the Nation.

First, the Republican SAFE Act will help folks such as Katherine Gwinn and Willie Clay with \$10 billion to State housing finance authorities to refinance distressed subprime mortgages. Our proposal would authorize the State housing finance agencies to issue \$10 billion in tax-exempt bonds and use the proceeds to help refinance subprime mortgages, refinancing them at or near the original level which they could afford.

Secondly, in order to help families avoid foreclosure and keep them in their homes, we propose to expedite the delivery of \$180 million approved by Congress in December to assure counseling help to families in distress. As I announced last week, the first block of these funds has gone out, and we will ensure that remaining funds are delivered as quickly as possible after we can confirm that counseling is having the desired effect. This counseling is important because borrowers need to know and lenders need to know the best way to get out of this crisis is not to have foreclosures that throw families out of their homes. That not only hurts the family, it hurts the lender because they have to spend money on foreclosures, and it drives down the price of housing that is in their stock. In addition, it hurts communities, because when you have a community with significant numbers of foreclosures, you put a blanket of debt and hopelessness on communities which cannot remain viable.

Thirdly, we support helping struggling neighborhoods by providing \$15,000 in tax credits available over 3 years for purchasing a home in or approaching foreclosure. This provision, initially proposed by Senator ISAKSON, will help neighbors take down foreclosure signs and stop the slide in property values. We also support the so-called net operating loss carryback tax provisions to help firms that suffered operating losses lower their tax burden, so we enable homebuilders to get through this crisis.

Our proposal includes no new loan disclosure requirements for prominent and plain English explanation of key loan conditions. Anybody who has purchased a house recently knows you are confronted with a stack of papers a half a foot high, with all kinds of legal gobbledegook and with provisions, if you looked hard enough, that may tell you what is going to happen to you if you borrow the money. Most of it is legalese that we as lawyers—and I admit to having been one—like to put in to cover every possible contingency. What borrowers need to see is in big type: “Teaser, introductory rates,” their payments, and when it expires. They need to know that if they are agreeing to an adjustable rate, what that rate could be and how much the new payment penalty will be or if there is going to be a repayment penalty. That information needs to be portrayed on the first page so you can see on the first page what you are getting into and how much it would cost you to get out. They will be reminded that there is no guarantee they will be able to refinance their loan before the introductory rate expires.

These are the very things Katherine Gwinn and Willie Clay and thousands of borrowers did not understand when they agreed to their loans. We hope this will protect future families who want their share of the American dream.